

These Supply Chain Trends Will Shape Your Business' Future

By David Rogers

Between the disruptions caused by COVID-19 and the rapid improvement of technology, supply chains have seen enormous changes in the last year – and there is no sign of it slowing down. 2020 made it more obvious than ever that the future of supply chains is going to heavily rely on technology and digital transformations. Those who fail to keep up with supply chain trends risk becoming irrelevant.

It's a harsh but true statement that the following statistics support:

- [40% of executives](#) believe that their supply chain is more vulnerable to risks than ever
- [92% of executives](#) agree that supply chain visibility and success go hand in hand

Despite the existence of those statistics, only [27% of executives](#) say that they have figured out how to increase visibility throughout their supply chain

Your business can protect itself from disruption by making sure your supply chain is always up to date with current trends and that you are constantly looking to the future for ways to improve.

Here are 5 supply chain trends that your business can – and should – start taking action on.

1. Innovations in last-mile logistics will make fast and free delivery a reality for most businesses (not just Amazon)

Customers are very comfortable with their 2-day shipping times with Amazon Prime. In many cases, they may even choose to spend a little bit more on an item if they can get it from Amazon in 2-days or less. In order to keep up with this competition, supply chain optimisation has to occur at last-mile delivery.

According to reports, “fast delivery” means even faster than Amazon’s 2-day shipping. [96% of consumers](#) today want their “fast deliveries” to arrive on their doorstep the same day they place the order. As some businesses are offering delivery in less than an hour (i.e., food and prescription delivery), consumer expectations are going to be higher than ever in the very near future. And because only [about half of retailers](#) are currently exceeding these high expectations, now is an ideal time to optimise your supply chain for fast and free delivery.

2. Decentralised fulfillment will become the norm for companies of all sizes

Previously, most companies preferred centralised distribution because it allowed them to bargain with one supplier for lower supply and storage costs. Now that consumers want their goods faster than ever, it doesn't make sense to have a single warehouse location. Instead, businesses will do well to have multiple smaller warehouses throughout multiple countries (or their concentrated location of business).

A decentralised fulfillment model will allow companies to fill orders quickly and get them to customers' doors as soon as possible. Yes, there will likely be an increase in warehouse maintenance and labour costs, but that cost can be offset by the increase in revenue fast fulfilment will provide.

3. Small and Medium Enterprises will have the means to scale with Supply Chain as a Service

Businesses around the globe are realising that it's more cost-efficient to outsource their warehouse and fulfilment services. In the past, small and medium enterprises wouldn't even be able to imagine paying a third-party to handle logistics for them. However, globalisation and advanced technologies are making outsourcing an affordable reality for businesses of all sizes.

This means that small businesses that previously could only dream of having a warehouse in another country can make their dreams come true – and then some. This gives enormous opportunity for scaling business and increasing revenue.

4. Demand for sustainability and ethical sourcing will drive innovations in supply chain management

It's no secret or surprise that consumers want to buy from companies that prioritise the environment. [87% of consumers](#) in Australia alone report that they are more likely to purchase a product that is labelled as “environmentally friendly.”

As a result, millions of businesses around the world have begun to adopt more sustainable practices through recyclable packaging, reusable items, producing items with less plastic, and more. However, this isn't always enough for consumers. Many people want to know that they are buying from companies that aren't just “[green labelling](#)” things. They want to be sure their purchase is actually making a difference in the world.

Businesses can meet this need by taking a look into their supply chains from end to end and determining where they can make their practices more sustainable. Can you cut back on emissions by working with a delivery company that uses hybrid vehicles? Can you phase out international vendors? How can you reduce waste? There are all questions you should be asking when looking into your supply chain's sustainability.

5. Risk management and supply chain resiliency will be of top priority

If there's anything that businesses learned from the outbreak of COVID-19 it's that you never know when something will come along that disrupts “business as usual.” The businesses that were able to survive the pandemic were those that were able to adjust quickly while minimizing disruption.

Of course, it will never be possible to predict catastrophic events, but now that we have a global pandemic under our belts, there's a higher baseline for risk management and supply chain resiliency. Taking what your business has learned over the last 18-months from operating during a pandemic, and from other businesses, you must develop plans for future disrupting events or eliminate the risk altogether.

Final Thoughts

Keeping up with current supply chain trends will help your business stay relevant. Getting ahead of the trends will help your business be as successful as possible.

When you're ready to gain greater visibility into your supply chain and start making changes for a better future, [Insync Supply Chain Management](#) will be there to assist. Give us a call today to learn more about our services.